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EXTRAORDINARY

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MINISTRY OF INTERNATIONAL TRADE

NOTIFICATION

TARIFFS

New Delhi, the 27th September 1963

No. 8(1)-Tar/63.—Whereas the Central Government is satisfied, after due inquiry, that the duty chargeable under the First Schedule to the Indian Tariff Act, 1934 (32 of 1934), in respect of Sparking plugs and parts thereof specified in Item No. 75(18) of the said Schedule, and characterised as protective in the third column thereof, had become excessive for the purpose of securing the protection intended to be afforded by it to similar articles manufactured in India;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the said Act, the Central Government hereby reduces, with effect from the 27th September, 1963, the duty of customs on the said articles so that the duty chargeable thereon, from the said date, shall be 77½ per cent. *ad valorem*.

RESOLUTIONS

TARIFFS

New Delhi, the 27th September 1963

No. 8(1)-Tar/63.—The Tariff Commission has submitted its Report on the continuance of protection to the Automobile Spark Plug Industry on the basis of an inquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the automobile spark plug industry should be extended for a further period of two years till 31st December 1965. The rate of duty necessary for protection should, however, be 77.5 per cent. *ad valorem* (standard) and 70 per cent. *ad valorem* (preferential).
- (2) Retail prices of automobile spark plugs should be reduced.
- (3) The demand for spark plugs, which may also increase in future, exceeds the present installed capacity. As this capacity can be raised without much additional cost by the existing units and the industry is one where economies can accrue from mass production, it may be desirable to accord priority to the present producers in the context of any future expansion.
- (4) Since the spark plug is an essential component in the automobile industry, it is considered that in the production programme of any alloy steel unit, bright drawn free cutting steel bars required by the industry should be given high priority.

- (5) The whole question of permitting both the existing producers to manufacture insulators may be further reviewed by the authorities concerned in view of large surplus capacity resulting from such an arrangement rendering the capital investment infructuous.
 - (6) Since the alternative given to the industry to import its requirements of raw materials and machinery from United States of America involves a very considerable increase in costs, the facilities asked for by this protected industry may be favourably considered.
 - (7) In the interest of the development of the industry, the matter of affording sufficient incentives for exports and the question of suitably modifying agreements with foreign collaborators should receive the attention of authorities.
 - (8) Spark plug manufacturers should be assisted either to locate indigenous capacity for copper or M.S. washers with other automobile component manufacturers or to produce them in their own factories.
 - (9) Steps should be taken to ensure that indigenous manufacturers of aluminium should be pressed to provide calcined alumina of requisite purity for the manufacture of spark plug insulators.
2. Government accept recommendation (1) and necessary legislation in Parliament will be undertaken in due course. The reduced protective duty recommended by the Tariff Commission is being brought into force with effect from today by a Notification issued separately under Section 4(1) of the Indian Tariff Act, 1934.
3. Government have taken note of recommendations (2) to (7) for suitable action to the extent possible.
4. Government have taken note of recommendations (8) and (9) and attention of the manufacturers concerned is also invited to these recommendations.

ORDER

Ordered that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

No. 7(2)-Tar/63.—The Tariff Commission has submitted its Report on the continuance of protection to the Engineers' Steel Files Industry on the basis of an inquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951 (50 of 1951). Its recommendations are as follows:—

- (1) Protection granted to engineers' steel files industry need not be continued beyond expiry of the present term of protection which ends on 31st December 1963.
- (2) The manufacture of rasps and precision files which carry a substantially higher revenue duty has already been taken up by some of the indigenous producers of steel files and is due to be taken up by others, as a natural trend in diversification of output. Government should extend to these producers assistance other than duty protection to enable them to fulfil their expansion programmes.
- (3) Government should take up the matter of laying down a technical definition for precision files for the guidance of the industry and trade.
- (4) In view of the demand possibly outstripping available supply from the installed capacity, the Department of Technical Development should take timely measures with a phased programme, if necessary, for expediting increase in production by allowing producers like John Baker and others to procure balancing equipment and also by larger allocations of raw materials.
- (5) Schemes of expansion which will add to the industry's output with the lowest outlay in the quickest time should merit preferential treatment.
- (6) In view of the prevailing stringent conditions of foreign exchange and ban on imports of furnaces, Department of Technical Development should assist the producers of steel files to resolve their problems with furnace manufacturers.
- (7) For developing an export potential, facilities for import of more up-to-date machinery and liberal incentives will be needed.

- (8) To overcome the apprehensions of other producers, it may be necessary for the authorities to ensure that Harbanslal Malhotra & Sons which has been granted a licence for the rolling of file steel sections meets the requisite quality standards in its production and does not show monopolistic tendencies in the matter of its price and distribution to other producers.
- (9) Steel file manufacturers should spare no efforts to make improvisation in operation technique to enable further utilisation of indigenous grinding wheels and the producers of latter should also take steps to diversify output and improve quality.

2. Government accept recommendation (1) and the necessary legislation will be undertaken in due course to deprotect the Engineers' Steel Files Industry with effect from the 1st January, 1964.

3. Government have taken note of recommendations (2) to (7) and steps will be taken to implement them as far as possible.

4. Government have also taken note of the recommendation (8) and steps will be taken to implement it as far as possible. Attention of Harbanslal Malhotra & Sons is also drawn to this recommendation.

5. Attention of the steel file manufacturers and producers of grinding wheels is invited to recommendation (9).

ORDER

Ordered that the Resolution be published in the Gazette of India and a copy thereof communicated to all concerned.

C. S. RAMACHANDRAN, Jt. Secy.

